

## Message Text

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ORIGIN EB-08

INFO OCT-01 EA-10 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 SS-15  
H-01 NSC-05 /052 R

DRAFTED BY EB/OA/AN:TROESCH:JG  
APPROVED BY EB/OA/AN:RABROWN  
EA/PHL:BFLECK  
CAB:JHORNEMAN  
EB/OA:MHSTYLES

-----023545 161934Z /53

R 161739Z JAN 78  
FM SECSTATE WASHDC  
TO AMEMBASSY MANILA

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E.O. 11652: N/A

TAGS: EAIR, RP

SUBJECT: CIVAIR: US-PHILIPPINE RAPPROCHEMENT

REF: MANILA 695

1. BASED ON PREVIOUS DISCUSSION WITH GOP CIVAIR AUTHORITIES,  
DEPARTMENT STRONGLY BELIEVES THAT UNILATERAL CONCESSION BY  
US ON PAL ALL-CARGO WOULD NOT ACHIEVE BREAKTHROUGH  
OPTOMISTICALLY PERCEIVED BY EMBASSY AND THAT IT IS CLEARLY  
IN US INTEREST TO OBTAIN SOME COMPENSATION FOR SATISFYING  
GOP REQUESTS.

2. BASIC PROBLEM IS THAT US INTERESTS IN BLIND SECTORS  
FROM MANILA TO SINGAPORE, TAIWAN AND HONG KONG, INCREASED  
FREQUENCIES AND FTL'S RIGHT TO CHANGE AIRCRAFT ARE OF  
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MINOR VALUE COMPARED TO PHILIPPINE REQUESTS FOR RIGHTS TO  
LOS ANGELES AND GUAM AND PAL'S ALL-CARGO SERVICE. POSSIBLE  
TRADE OFF COULD BE MADE OF ALL OR SOME BLIND SECTOR RIGHTS  
FOR PAL'S ALL-CARGO OPERATION OR SOME COMBINATION OF  
INCREASED FREQUENCIES, BLIND SECTORS, GUAM AND THE PAL  
ALL-CARGO. UNFORTUNATELY, SUCH COMBINATIONS WERE FOUND  
UNACCEPTABLE TO GOP DURING AGCOAILI'S LATEST VISIT TO

WASHINGTON.

3. NEW FACTOR WARRANTING CONSIDERATION IS INTRODUCTION OF LOWER FARES BY PAA, NW AND PAL. BASED ON LOW FARE EXPERIENCE IN OTHER COUNTRIES, NEW FARES SHOULD HAVE EXPANSIVE EFFECT ON TRAFFIC AND RESULT IN NEED FOR GREATER CAPACITY BY BOTH PHILIPPINE AND US AIRLINES. ALSO, PAL'S PURCHASE OF B-747 AIRCRAFT FROM LUFTHANSA IS ANOTHER FACTOR TO BE CONSIDERED.

4. INFORMAL DISCUSSIONS VIEWED BY DEPARTMENT AS NECESSARY STEP IN DEALING WITH PHILIPPINE CIVIL AVIATION AUTHORITIES. AS EMBASSY IS AWARE, THROUGH THE YEARS THE DEPARTMENT HAS BEEN RESPONSIVE EACH TIME THE GOP INDICATED IT WAS MOVING TOWARD A MORE LIBERAL AVIATION POLICY. THESE INDICATIONS NEVER REACHED FRUITION BECAUSE OF LACK OF GOP IMPLEMENTATION. THEREFORE, INFORMAL MEETINGS TO GAUGE PHILIPPINE SERIOUSNESS ARE NECESSARY BEFORE ANY FORMAL NEGOTIATIONS CAN BE CONSIDERED. THEREFORE, DEPARTMENT BELIEVES AN INFORMAL VISIT WOULD BE USEFUL TO EXPLORE CURRENT STATUS AND IS WILLING TO ADD SIDE TRIP TO MANILA FOLLOWING FORTHCOMING NEGOTIATIONS WITH AUSTRALIA AND NEW ZEALAND.

CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR TRANSPORTATION, NEGOTIATIONS  
**Control Number:** n/a  
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**Draft Date:** 16 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
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**Drafter:** TROESCH:JG  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Message ID:** 008b63e3-c288-dd11-92da-001cc4696bcc  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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